

From: [Kanniganti, Radhica](#)
To: [Deroeck, Dan](#)
Cc: [Carrillo, Andrea](#); [Rineheart, Rachel](#)
Subject: RE: Non-road engine applicability determination
Date: Wednesday, May 24, 2017 8:54:39 AM

Hi Dan and Andrea:

I am writing to you to get your assistance and understanding in an applicability determination request we received from Kohler Power Systems (KPS) in Wisconsin. The details are given below: KPS operates a facility in Mosel, WI, where engine powered electrical generator sets are manufactured. The manufacturing process involves installing fully assembled nonroad engines into the generators. The generators are assembled on-site, tested and then shipped to customers. They undergo three types of testing at the facility – development testing, reliability testing and production testing. According to KPS, the nonroad engines are installed as part of the electrical generators and the generators are mounted on skids/platforms/wheels which allow them to be transported. Once they reach the customer's site, these engines could be used as either portable or stationary engines.

KPS believes these engines will qualify as nonroad engines because of the following definitions:

- Under the Clean Air Act (CAA) Section 302(z) [42 USC §7602], a Stationary Source is defined as “...any source of an air pollutant except those emissions resulting directly from an internal combustion engine for transportation purposes or from a nonroad engine or nonroad vehicle as defined in section 216.”
- CAA 216(10) [42 USC §7550] defines a “non-road engine” as an “internal combustion engine that is not used in a motor vehicle or a vehicle used solely for competition, or that is not subject to standards promulgated under section 7411 [CAA § 111] of this title or section 7521 [CAA § 202] of this title.”
- In addition, EPA's regulations for Highway, Stationary and Nonroad Programs, 40 C.F.R. 1068, defines a nonroad engine as an internal combustion that meets any of the following criteria:
 - It is (or will be) used in or on a piece of equipment that is self-propelled or serves a dual purpose by both propelling itself and performing another function (such as garden tractors, off-highway mobile cranes and bulldozers)
 - It is (or will be) used in or on a piece of equipment that is intended to be propelled while performing its function (such as lawn mowers and string trimmers)
 - By itself or in or on a piece of equipment, it is portable or transportable, meaning designed to be and capable of being carried or moved from one location to another. Examples of transportability include, but are not limited to, wheels, skids, carrying handles, dolly, trailer, or platform.

EPA has two memos on stationary source determinations as applied to engines – the John Deere memo (Nov. 10, 2016) and the GM memo (Nov. 27, 2012). The GM memo determines that emissions from “roll-off” tests resulting directly from internal combustion engines “for transportation purposes” are excluded from the stationary source definition of the CAA Section 302. The John Deere memo determines that the engines being tested in their assembly line qualify as “nonroad engines” since they will be assembled into construction and forestry equipment, hence exempting them from the stationary source definition. In both cases, the applicability of stationary source was made based upon the final use of the

engine and the purpose of testing. In the case of KPS, the final use of the installed engine could be stationary or portable depending upon the customer's requirements. Hence, it is unclear whether these engines will qualify as "nonroad" engines to be exempted from the stationary source definition, despite the fact that these generator sets are being transported on skids/platforms with wheels.

As stated, the two exceptions from the definition of a stationary source are (1) direct emissions from internal combustion engine used for transportation purposes; and (2) emissions from a non-road engine or non-road vehicle. This definition relies on the end use of the engine to classify it as a non-road engine. The engines in this case, will be used to run power generation systems – both portable and stationary.

Considering the nuances in this case, would these engines be considered "nonroad" engines and hence exempt from stationary source requirements?

If you would like to have a call to get more clarification, I will be happy to schedule it.

Thank you and look forward to hearing from you.

Radhica

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